

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE SOUTHERN DISTRICT OF TEXAS

3 HOUSTON DIVISION

4 UNITED STATES OF AMERICA § CASE NO. 4:24-CR-478
5 VERSUS § HOUSTON, TEXAS
6 § TUESDAY,
§ OCTOBER 1, 2024
SHELDON DOUNN § 2:14 P.M. TO 2:21 P.M.

7
8 **INITIAL APPEARANCE**

9 BEFORE THE HONORABLE PETER BRAY
UNITED STATES MAGISTRATE JUDGE

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12 APPEARANCES: SEE NEXT PAGE

13 ELECTRONIC RECORDING OFFICER: GARRETT COLE

14 CASE MANAGER: JASON MARCHAND

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APPEARANCES :

FOR THE PLAINTIFF:

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FOR THE DEFENDANT:

LAW OFFICE OF JUDITH SHIELDS
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The Woodlands, TX 77380
936-703-5002

ALSO PRESENT:

MARIA BUSCARELLO, PRETRIAL

1 **HOUSTON, TEXAS; TUESDAY, OCTOBER 1, 2024; 2:14 P.M.**

2 THE COURT: All right. Sheldon Dounn?

3 MR. PENNEBAKER: Drew Pennebaker for the
4 Government, Your Honor.

5 THE COURT: We haven't appointed you yet, right?

6 MS. SHIELDS: Not yet, Your Honor.

7 THE COURT: We will. It's Ms. Shields, right?

8 MS. SHIELDS: Yes, sir

9 THE COURT: Sir, what's your name?

10 DEFENDANT DOUNN: Sheldon Dounn.

11 THE COURT: Did you receive a copy of the
12 Indictment that's been filed against you?

13 DEFENDANT DOUNN: Yes.

14 THE COURT: This charges you with two types of
15 conspiracy, both of which are agreements between two or more
16 people to commit a crime.

17 The first one is conspiring to distribute and
18 dispense -- unlawfully dispense Schedule II controlled
19 substances.

20 The other one is to defraud the United States.

21 And then in the other counts, it's the actual
22 substantive counts of unlawfully distributing and dispensing
23 controlled substances.

24 Counts 1 and 6 carry up to 20 years in prison, a
25 fine of up to a million dollars, and at least three years of

1 supervised release.

2 Count 2 -- you didn't write it down, but it's up
3 to five years in prison, up to a quarter million dollars --
4 that one doesn't have twice the gain or loss. It's all
5 wrong.

6 Up to three years of supervised release and a \$100
7 special assessment.

8 And then Counts 3, 5, 7 and 8 are the same at 1
9 and 6.

10 Do you understand the charges against you and the
11 maximum possible penalties?

12 DEFENDANT DOUNN: I do, Your Honor.

13 THE COURT: You have the right to remain silent.
14 Anything you say to anybody other than your lawyer can be
15 used against you.

16 Do you understand that?

17 DEFENDANT DOUNN: I do, Your Honor.

18 THE COURT: Are you a US citizen?

19 DEFENDANT DOUNN: Yes, I am.

20 THE COURT: You have the right to counsel at all
21 stages of this proceeding. If you cannot afford a lawyer,
22 I'll appoint you one. You filled out this financial
23 affidavit.

24 Do you want me to appoint Ms. Shields to represent
25 you?

1 DEFENDANT DOUNN: Yes, I do.

2 THE COURT: All right. Let me place you under
3 oath.

4 So you solemnly swear that the contents of your
5 financial affidavit are true and correct to the best of your
6 knowledge and belief?

7 DEFENDANT DOUNN: Yes, Your Honor.

8 THE COURT: My rough math tells me that your
9 outgoing expenses are about equal to your income; is that
10 right?

11 DEFENDANT DOUNN: That's correct, Your Honor.

12 THE COURT: Not much left over at the end of each
13 month?

14 DEFENDANT DOUNN: That's correct, Your Honor.

15 THE COURT: Not much saved, right?

16 DEFENDANT DOUNN: That's correct. That's correct.

17 THE COURT: Then I find you eligible for
18 court-appointed counsel.

19 There you go, sir. Thank you.

20 Let's see. The United States is ordered to comply
21 with *Brady v. Maryland* and its progeny. Failure to do so
22 will result in sanctions. A written order will be entered.

23 And he came in on a summons. You're not moving
24 for detention, are you?

25 MR. PENNEBAKER: Correct, Your Honor.

1 THE COURT: Are you good with the conditions that
2 are listed here?

3 MR. PENNEBAKER: I actually don't have a copy of
4 that document, Judge.

5 THE COURT: All right. Well, why not?

6 MR. PENNEBAKER: I'm not sure. I don't know where
7 it is.

8 (Pause in the proceedings.)

9 THE COURT: Do you live with your girlfriend, sir?

10 DEFENDANT DOUNN: Yes, Your Honor.

11 THE COURT: Are you -- what, are you retired?

12 DEFENDANT DOUNN: I'm semi-retired. I work
13 part-time at a clothing, sports clothing store near my
14 house.

15 MR. PENNEBAKER: Judge, the Government doesn't
16 have any problems with these conditions.

17 THE COURT: All right.

18 MS. SHIELDS: And we do have his passport here,
19 Your Honor, ready to surrender.

20 THE COURT: Thank you. Perfect.

21 All right. So, sir, you're going to be released
22 on some pretty light conditions, but you need to follow
23 them. Okay, sir?

24 DEFENDANT DOUNN: I will.

25 THE COURT: You must not violate any federal,

1 state or local law while on release. Do not intimidate or
2 attempt to intimidate any witness, juror, or Officer of the
3 Court. Do not obstruct justice or tamper with or retaliate
4 against any witness, victim or informant. Immediately
5 advise your lawyer, Probation and the Court before you
6 change your address or telephone number.

7 You must appear in court as required, and
8 surrender to serve any sentence that might be imposed upon
9 you.

10 You'll be on a \$50,000 unsecured bond. So no
11 money down, but violation of my conditions will result in
12 you having to pay \$50,000.

13 You don't have to report to Pretrial. You must
14 surrender that passport to them before you leave here today.

15 Your travel is restricted to the Continental
16 United States.

17 And that's it.

18 If you violate my conditions, you can be brought
19 back to court and you can go to jail while awaiting your
20 trial. You can be held in contempt of court.

21 The commission of a new offense while on release
22 is itself a new offense for which you can get ten years if
23 the new offense is a felony, or a year if the new offense is
24 a misdemeanor, stacked on top of whatever you might be
25 facing in this case.

1 You can also get ten extra years in prison if you
2 intimidate or attempt to intimidate any witness, juror or
3 Officer of the Court, or if you tamper with or retaliate
4 against any witness, victim or informant, or if you obstruct
5 justice.

6 And then you can get an extra ten years in prison
7 if you fail to surrender to serve any sentence that's
8 imposed upon you or you fail to show up to court.

9 DEFENDANT DOUNN: I understand, Your Honor.

10 THE COURT: All that make sense?

11 DEFENDANT DOUNN: Yes.

12 THE COURT: Any questions?

13 DEFENDANT DOUNN: No, sir.

14 THE COURT: Anything I missed?

15 MS. SHIELDS: No, Your Honor.

16 THE COURT: Anything I missed?

17 MR. PENNEBAKER: No, Your Honor.

18 THE COURT: And you told me a minute ago you
19 actually have a copy of the Indictment?

20 MR. PENNEBAKER: Yes.

21 THE COURT: And we talked about the charges and
22 the penalties, and you've had a brief moment at least to
23 speak with Ms. Shields about it?

24 MR. PENNEBAKER: Yes, yes.

25 THE COURT: Does he waive formal reading?

1 MS. SHIELDS: We do, Your Honor.

2 THE COURT: And how does he plead?

3 MS. SHIELDS: Not guilty, Your Honor.

4 THE COURT: A not guilty plea is entered on the
5 Record for you.

6 Your case is assigned to Judge Hanks. Motions are
7 due October 11. Response is October 21st. Pretrial
8 Conference is November 8th at 10:00 for which you must be
9 present. Jury selection and trial is set November 18th at
10 9:00.

11 What's the estimated time of trial?

12 MR. PENNEBAKER: At this time, Judge, I'd say ten
13 trial days.

14 THE COURT: All right. With that, everyone is
15 excused.

16 MS. SHIELDS: Thank you, Your Honor.

17 MR. PENNEBAKER: Thank you, Your Honor.

18 (Proceedings concluded at 2:21 p.m.)
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1 I certify that the foregoing is a correct
2 transcript to the best of my ability produced from the
3 electronic sound recording of the proceedings in the above-
4 entitled matter.

5 /S/ MARY D. HENRY

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10 DATE FILED: FEBRUARY 17, 2025